

R E M A R K S

A. Introduction

This paper is responsive to the Office Action mailed on January 30, 2008 (hereinafter, the “Office Action”). The Applicants thank the Examiner for withdrawing the previous Section 101 rejection in view of our previous claim amendments. The status of the claims is as follows:

- Claims **1-40** are pending;
- Claims **1, 15-17, 19-21, and 34** are the only independent claims (8 independent claims)

In view of the following remarks, Applicants respectfully request favorable reconsideration and allowance of the application.

B. The Section 102(e) Rejection

Claims **1, 3, 7-10, 12, 14, 15, 17-24, 26, 28-32, 34-37, 39 and 40** stand rejected under 35 U.S.C. §102(e) as being anticipated by Gillen et al., U.S. Patent No. 7,010,512 (hereinafter “Gillen”). We respectfully traverse the Examiner’s Section 102(e) rejection.

B.1. Independent Claims 1, 17, and 19

Applicants respectfully submit that claims **1, 17 and 19** are not anticipated by Gillen because Gillen does not teach or suggest all of the features of these independent claims.

The limitations of claim **1** are illustrative, and thus Applicants provide, immediately below, a brief explanation of each element. In particular, claim **1** is directed to a method of conducting a transaction that includes:

receiving an application for a financial account and an authorization to credit a first amount to the financial account.

For example, a seller using an internet auction website may be offered an incentive in exchange for both listing an item for sale and opening a new credit card account and authorizing

the auctioneer to credit a first amount to that new credit card account (See, for example, the specification at page 5, lines 10-18).

Claim 1 also includes:

*receiving information identifying a substitute collection technique;
and*

The substitute collection technique may be an existing credit card account, for example, and is provided in case the seller does not qualify for the new credit card account (See, for example, the specification at page 5, lines 19-28).

Lastly, claim 1 recites:

*finalizing the transaction via a processing device after receipt of
the application and the information.*

The transaction is finalized, for example, by either crediting the new credit card account with the first amount (if the application is approved), or crediting the substitute form of collection (the established or existing credit card account) with the first amount if the application is denied. (See, for example, the specification at page 6, lines 5-6).

B.1.1. Gillen at Col. 4 line 63 to col. 5, line 52, and at col. 7, lines 1-45

In stark contrast to that claimed by claim 1, Gillen is directed “to an online commerce transfer instrument.” [See col. 1, lines 5-7]. Applicants respectfully submit that Gillen teaches methods and systems for creating a debit/credit/charge **gift account** that is created at the request of a first party for use by a second party, without issuing a physical gift card to the second party. Such operation purportedly overcomes some of the problems associated with prior art gift accounts (see Gillen, col. 4, lines 53-62). In particular, Gillen teaches method for **a first party to set up a gift account for use by a second party**. This is very different than the methods claimed in the present application, as explained below.

The Examiner has cited two main portions of Gillen for allegedly containing all of the features of independent claims **1, 15, 17, 19, 20, 21 and 34** (see Office Action, page 2, line 26; page 3, lines 3-4 and 19; and page 4, lines 4-5 and 12-13). For the Examiner’s convenience,

Applicants have reproduced both the cited portions in their entirety below. The first cited portion (at col. 4, line 63 to col. 5, line 52) recites:

“A few examples of the invention include a method in which a request is received from a first party, for a gift certificate for a named second party. The gift certificate is an indication of a charge account but without both an issuance and provision of a physical card for the charge account or provision of a presentable gift certificate to the second party. The charge account is usable solely in the name of the second party. It also has an associated first party selectable account parameter. It is also capable of having a purchase made using the account authorized using an authorization infrastructure of a card association. The second party is informed of the account and the account is activated for usage by the second party.

In another embodiment, the method involves issuing, to a recipient, an online certificate which is limited to a national card account of a plurality of national card accounts, without both issuing and providing a physical card for the national card account to the recipient of the online certificate. The online certificate contains all information necessary for the purchase of goods or services from any merchant who is capable of processing economic transactions involving one of the plurality national card accounts for which a physical card has issued, but without presentment of the physical card.

The invention also includes a system. The system has a database with at least one table and a processor coupled to the database. The database is configured to, under control of the processor, maintain a record of a payment card account registered to a first person at the request of a second person, and for which, at no time at, or before, a time the second person buys from a merchant and pays by referencing the payment card account, no physical card for the payment card account will have been provided to the second person.

As will become evident, the invention provides a broad advantage for the purchaser in that, depending upon the type of payment card used by the purchaser and the type of transfer instrument requested, one type of payment card account may, in effect, be converted into a different type of payment card account.

The invention further provides benefits and advantages for the purchaser in terms of convenience because a purchase of a transfer instrument may be made from anywhere in the world where internet access is available because the purchase is made online. The purchaser of a transfer instrument greater control over how the gift will be used. The transfer instrument may be thought of as a form of gift certificate where more widespread acceptability makes it more attractive than conventional gift certificates which either limit the recipient to a particular merchant or set

of merchants, such as in the case of a store or online merchant gift certificate, or the requirement for physical presentation of the gift certificate in order to complete the purchase transaction.

The invention provides benefits for the issuer in terms of reduced cost for a number of reasons. First, because no physical certificate is produced or distributed the process can be fully automated.” (Gillen, col. 4, line 63 to col. 5, line 52).

The second cited portion of Gillen reads as follows:

“Step 100: Transfer instrument issuer 10 is setup with the Issuing Bank 20, or a party acting on Issuing Bank's behalf, as an issuing client 10 with a related bank identification number (BIN). a) Issuing Bank 20 provides a file that contains available account numbers for distribution, but no physical cards will issue for the accounts and/or no physical card will be A provided to the recipient. b) Issuing Bank 20 sets up all of the account numbers on the host system 30 with the same name, address, Social Security Number (SSN), and an available balance or credit limit of zero.

Step 110: A purchaser purchases a transfer instrument (not shown) and has notification 50 sent to a recipient on or off line.

Step 120: The recipient 40 activates an account with the transfer instrument issuer 10 (preferably via the internet 42).

Step 130: Transfer instrument issuer 10 provides the recipient 40 with an account number and amount or limit that can be used at any merchant(s) accepting the same type of accounts where cards are issued. Transfer instrument issuer 10 activates the account on the issuing bank host system 30 by initiating a Host 232 to Host 30 transaction that will update the account name, address, and credit limit.

Step 140: Recipient makes a purchase at any merchant 60 (on line or mail order/telephone order) that accepts card type accounts where physical cards have issued and been provided to, for example, Visa, Mastercard, American Express, JCB, Eurocard etc. . . .

Step 150: Merchant 60 seeks, and Issuing Bank 20 provides, an authorized response to the merchant 60 via existing authorization infrastructure 70 such as, Visa, Mastercard and/or American Express connections.

Step 160: Issuing Bank 20 receives the transactions for posting via Base II/Inas if the account is a credit type account, and by Late Debit files if the account is a debit type account, and posts 90 the transaction to the account. The posting removes the pending authorization and reduces the

amount or credit limit by the posted amount in the issuing bank's hose banking record system 30.

Step 170: Transfer instrument issuer funds a Demand Deposit account (DDA) with the Issuing Bank 20 for settlement purposes.

Step 180: Issuing Bank 20 settles with the transfer instrument issuer's DDA account on a nightly basis.” (Gillen, col. 7, lines 1-45)

Applicants respectfully assert that Gillen does not teach each and every limitation of independent claims **1, 17, 19, 15, 16, 20, 21 and 34**, as explained in detail below.

B.1.2. Gillen does not teach receiving information identifying a substitute collection technique

The first cited portion of Gillen at col. 4, line 63 to col. 5, line 52 discloses several examples of processes and systems for providing an on-line transfer instrument. In particular, a method is described wherein a first party requests a gift certificate for a named second party (and pays for it). The gift certificate is an indication of a charge account, but no physical card and no presentable gift certificate is provided to the second party. Instead, the second party is notified of the account and that person activates the account for use and is the only person that can use that account (col. 4, lines 63 to col. 5, line 8). Another disclosed embodiment concerns issuing an online certificate to the second party that is limited to a national card account. Again, the first party pays for it and no physical card is issued to the recipient (col. 5, lines 9-19). Next, a system is described that provides and maintains a record of a payment card account for a first person that was requested by a second person (who pays for it), and again no physical card is provided (col. 5, lines 20-28). Gillen explains that the disclosed process is beneficial and convenient for purchasers since a physical card is not provided (col. 5, lines 29-48). Lastly, Gillen explains that the issuer benefits by reducing costs since no physical certificate is provided and because the process can be automated (col. 5, lines 49-52).

The second cited portion of Gillen at col. 7, lines 1-45 pertains to Fig. 1. But Fig. 1 is a high level overview of various entities and their relationships in accordance with the described process. Gillen describes the process starting with when a purchaser of the transfer instrument buys the transfer instrument (gift account) for a recipient, and ending with the settlement process that occurs after the recipient uses the account to purchase an item. In particular, step 100

involves setting up a transfer instrument issuer with an issuing bank including preparing the required account numbers, and in step 110 a purchaser buys a transfer instrument and a notification is sent to the recipient. In step 120 the recipient activates the account, in step 130 the transfer issuer provides the recipient with the account number and credit limit, and in step 140 the recipient makes a purchase. In step 150 a merchant seeks an authorization for the charge made by the recipient, and in step 160 an issuing bank receives the transaction for posting to the transfer account. Lastly, steps 170 and 180 concern settlement of the amount. (see Gillen, col. 7, lines 1-45).

It is clear from the above comments that Gillen does *not* teach or even suggest *receiving information identifying a substitute collection technique*. In fact, we respectfully assert that Gillen can be summarized as being directed to a gift account process wherein a first person opens a gift account for the benefit and use of a second person. The first person pays for that gift account and then the second person is notified of its existence. There is *no* disclosure whatsoever in Gillen concerning *a substitute collection technique*, as another collection technique is not required because the first person has already paid for the gift account.

We also submit that such a process is not inherent in Gillen. In particular, inherent anticipation requires that the missing descriptive material is *necessarily* present, not merely probably or possibly present, in the prior art. Trintec Indus., Inc. v. Top-U.S.A. Corp., 295 F.3d 1292, 1295, 63 USPQ2d 1597, 1599 (Fed. Cir. 2002). “[A] prior art reference may anticipate without disclosing a feature of the claimed invention if that characteristic is necessarily present, or inherent, in the single anticipating reference.”. Schering Corp. v. Geneva Pharm., Inc., 339 F.3d 1373, 1377 (Fed. Cir. 2003). Therefore, the critical question for inherent anticipation is whether, as a matter of fact, practicing the asserted invention of Gillen necessarily featured or resulted in receiving information identifying a substitute collection account, as required by each of claims **1, 15, 16, 17, 19, 20, 21 and 34**. The Toro Co. v. Deere & Co., 355 F.3d 1313, 1320, 69 U.S.P.Q.2D (BNA) 1584 (Fed. Cir. 2004). The Examiner has not even attempted to address this critical question. Accordingly, no *prima facie* case of anticipation has been established for any of claims **1, 15, 16, 17, 19, 20, 21 and 34**.

Further, we have reviewed Gillen, including the portions cited by the Examiner, but cannot identify any hint of receiving information identifying a substitute collection technique.

Thus, since each of independent claims **1, 15, 16, 17, 19, 20, 21 and 34** requires such subject matter, the Examiner has not established a *prima facie* case of anticipation of these independent claims. Furthermore, dependent claims **3, 7-10, 12, 14, 18, 22-24, 26, 28-32, 34-37, 39 and 40** each directly or indirectly depends on one of claims **1, 17, 21 and 34**, and thus these dependent claims are not anticipated for at least the same reasons.

B.2. Conclusion

Applicants respectfully submit that independent claims **1, 15, 16, 17, 19, 20, 21 and 34** contain allowable subject matter. In addition, claims **3, 7-10, 12, 14, 18, 22-24, 26, 28-32, 34-37, 39 and 40** each directly or indirectly depends on one of claims **1, 17, 21 and 34** and therefore these claims also should be allowable. Accordingly, the Examiner's reconsideration and withdrawal of the Section 102(e) rejection of claims **1, 3, 7, 8, 10-12, 17 and 19** is respectfully requested.

C. Section 103(a) Rejection

Claims **2, 4-6, 11, 13, 16, 25, 27, 33, and 38** stand rejected as obvious over Gillen in view of Walker et al., U.S. Patent No. 5,945,653 (hereinafter "Walker"). Applicants respectfully traverse.

C.1. Claims 2, 4-6, 11 and 13

Claims **2, 4-6, 11 and 13** each directly or indirectly depends from claim **1**. For at least the reasons stated above with respect to claim **1**, the Examiner has failed to establish any combination of the cited references that teach all of the features of any claim dependent from claim **1**.

C.2. Claims 25, 27 and 33

Claims **25, 27 and 33** depend from claim **21**. For at least the reasons stated above with respect to claim **21**, the Examiner has failed to establish that any combination of the cited references teaches all of the features of any claim dependent from claim **21**.

C.3. Claim 38

Claim **38** depends from claim **34**. For at least the reasons stated above with respect to claim **34**, the Examiner has failed to establish that any combination of the cited references teaches all of the features of any claim dependent from claim **34**.

C.4. Claim 16

The Examiner has not established a *prima facie* case of obviousness of Claim **16**.

As discussed above with respect to Claim **1**, Gillen does not teach or suggest *receiving information identifying a substitute account collection technique*. Gillen also fails to teach or suggest *receiving such information **and** an authorization to credit a second payment amount to the substitute collection technique* as required by claim **16**. Walker also fails to suggest or teach such subject matter. Thus, claim **16** is patentably distinct thereover.

Furthermore, we respectfully submit that one skilled in the art would **not** combine the system and method for establishing and executing functions to affect credit card accounts of Walker with the gift transaction account process and system of Gillen, as these references are incongruous. In particular, as discussed in detail above, Gillen is directed to a gift account process wherein a first person opens a gift account for the benefit and use of a second person. The first person pays for that gift account, the second person is notified of its existence, and the second person utilizes it to purchase items. Thus, Gillen is **not** in any way concerned with methods and systems for establishing functions that affect credit card accounts and transactions, which is the focus of Walker. Applicants therefore respectfully contend that the purported motivation for combining these references, namely that one skilled in the art would combine them “to provide incentive for potential applicants” (Office Action, page 6), is illogical in view of the disparate goals of Walker and Gillen. Accordingly, claim **16** is patentably distinct from Walker and Gillen, whether taken alone or in combination.

Moreover, the level of ordinary skill in the pertinent art has not been resolved (or even identified), which is required by the Supreme Court. Graham v. John Deere Co., 383 U.S. 1, 17 (1966). Consequently, we submit that the Examiner could not have been able to determine what “would have been obvious to one of ordinary skill in the art” at the time of the present invention.

In view of the above remarks, we respectfully submit that a *prima facie* case of obviousness has not been made for claim **16**.

C.5. Conclusion

In view of the above remarks, Applicants respectfully submit that claims **2, 4-6, 11, 13, 16, 25, 27, 33 and 38** are patentably distinct from Gillen in view of Walker, whether taken alone or in combination. Thus, we respectfully request withdrawal of the Section 103(a) rejection of these claims.

D. Conclusion

It is submitted that all of the claims are in condition for allowance. The Examiner’s early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Stephan Filipek at telephone number (203) 461-7252 or via electronic mail at sfilipek@walkerdigital.com.

E. Authorization to Charge Appropriate Fees

Applicants herein petition for a two-month extension of time to respond, and have authorized the Commissioner to charge Deposit Account No. 50-0271 for the surcharge fee.

Applicants do not believe that any other fees are due, but if a fee should be necessary to continue prosecution of the present application, please charge any such required fee to our Deposit Account No. 50-0271. Please also credit any overpayment to the same Deposit Account 50-0271.

Respectfully submitted,

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Date

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